

ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

Community Choice Michigan

NAIC Group Code0000,0000NAIC Company Code95562Employer's ID Number38-3252216

(Current Period)

(Prior Period)

Organized under the Laws ofMichigan,State of Domicile or Port of EntryMichigan

Country of DomicileUnited States of America

Licensed as business type:Life, Accident & Health[]Property/Casualty[]Hospital, Medical & Dental Service or Indemnity[]Dental Service Corporation[]Vision Service Corporation[]Health Maintenance Organization[X]Other[]Is HMO Federally Qualified? Yes[] No[X]

Date Incorporated or Organized05/24/1995Date Commenced Business08/01/1996

Statutory Home Office2369 Woodlake Drive, Suite 200Okemos, MI 48864

(Street and Number)(City, or Town, State and Zip Code)

Main Administrative Office2369 Woodlake Drive, Suite 200Okemos, , MI 48864(517)349-5288

(Street and Number)(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Mail Address2369 Woodlake Drive, Suite 200Okemos, MI 48864

(Street and Number or P.O. Box)(City, or Town, State and Zip Code)

Primary Location of Books and Records3141 N. 3rd AvenuePhoenix, AZ 85013(602)331-5100

(Street and Number)(City, or Town, State and Zip Code)(Area Code) (Telephone Number)

Internet Website Address

Statement ContactLinda H. MaineLinda_Maine@uhc.com(602)749-5548

(Name)(E-Mail Address)(Area Code)(Telephone Number)(Extension)

Policyowner Relations Contact3141 N. 3rd AvenuePhoenix, AZ 85013(800)390-7102

(Street and Number)(City, or Town, State and Zip Code)(Area Code) (Telephone Number)(Extension)

OFFICERS

PresidentChristine Baumgardner

SecretaryMary Stephens Ferris

TreasurerLinda Shively

VICE PRESIDENTS

Rueben Pettiford

Dan McKinnon

DIRECTORS OR TRUSTEES

Chris Shea
A.J. Jones
David Gamez
Darrell Milner
Donna Jaksic

Gordon Weatherhead
Anthony King
Velma Hendershott
Roger Rushlow
Sherri Koelsch

State ofMichigan

County ofInghamss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)Christine Baumgardner

(Printed Name)President

(Signature)Mary Stephens Ferris

(Printed Name)Secretary

(Signature)Linda Shively

(Printed Name)Treasurer

a. Is this an original filing?

b. If no,1. State the amendment number2. Date filed3. Number of pages attached

Subscribed and sworn to before me this day of, 2003

Yes[X] No[]

(Notary Public Signature)

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals .....	.....	.....	.....	.....	.....	.....
Group Subscribers:						
State of Michigan Medical Services Administration	872,013	.....	.....	.....	.....	872,013
0299997 Subtotal - Group Subscribers:	872,013	.....	.....	.....	.....	872,013
0299998 Premium due and unpaid not individually listed	(345,911)	.....	.....	.....	.....	(345,911)
0299999 Total group	526,102	.....	.....	.....	.....	526,102
0399999 Premiums due and unpaid from Medicare entities .....	.....	.....	.....	.....	.....	.....
0499999 Premiums due and unpaid from Medicaid entities .....	.....	.....	.....	.....	.....	.....
0599999 Accident and health premiums due and unpaid (Page 2, Line 10) ..	526,102	.....	.....	.....	.....	526,102

EXHIBIT 4 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Receivables not inidividually listed						
State of Michigan Medical Services Administration	1,818,611					1,818,611
0499999 Total - Receivables not inidividually listed						
0599999 Health care receivables	1,818,611					1,818,611

EXHIBIT 5 - CLAIMS PAYABLE (Reported and Unreported)
Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually Listed Claims Payable						
Rogers City Rehab			318,394			318,394
Spectrum Health Hospital	93,986	1,144	3,130	142	21,838	120,240
Covenant Healthcare	443	5	72	5,008	67,798	73,326
St. Mary's Medical Center	56,830					56,830
St. Vincent Medical Center					27,765	27,765
South Haven Community Hospital	638		17,082	245	1,331	19,296
Allegan General Hospital		320		110	17,692	18,122
Wm Beaumont Hospital Royal Oak					15,093	15,093
Bronson Methodist Hospital				9,307	2,505	11,812
Lakeland Medical Center	2,514		653	2,347	5,786	11,300
Metropolitan Hospital	4,833			5,864	387	11,084
Community Memorial Hospital	10,086	293				10,379
Borgess Visiting Nurse and Hospital				10,344		10,344
0199999 Total - Individually Listed Claims Payable	169,330	1,762	339,331	33,367	160,195	703,985
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	169,330	1,762	339,331	33,367	160,195	703,985
0599999 Unreported claims and other claim reserves						18,009,686
0699999 Total Amounts Withheld						1,518,251
0799999 Total Claims Payable						20,231,922
0899999 Accrued Medical Incentive Pool						(4,045,187)

21 Exhibit 6 - Ammounts Due From Parent - NONE

22 Exhibit 7 - Amounts Due to Parent - NONE

EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

		1	2	3	4	5	6
Payment Method		Direct Medical Expense Payment	Column 1 as a % of Total	Total Members Covered	Column 3 as a % of Total	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:							
1.	Medical groups	8,642,077	6.457			5,433,049	3,209,028
2.	Intermediaries						
3.	All other providers	2,950,128	2.204				2,950,128
4.	Total capitation payments	11,592,205	8.661			5,433,049	6,159,156
Other Payments:							
5.	Fee-for-service			X X X	X X X		
6.	Contractual fee payments	122,256,517	91.339	X X X	X X X	2,635,794	119,620,723
7.	Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8.	Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9.	Non-contingent salaries			X X X	X X X		
10.	Aggregate cost arrangements			X X X	X X X		
11.	All other payments			X X X	X X X		
12.	Total other payments	122,256,517	91.339	X X X	X X X	2,635,794	119,620,723
13.	Total (Line 4 plus Line 12)	133,848,722	100.000	X X X	X X X	8,068,843	125,779,879

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
		N O N E			
9999999			X X X	X X X	X X X

EXHIBIT 9 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

		1	2	3	4	5	6
Description		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment .....			.....	.....	.....	.....
2.	Medical furniture, equipment and fixtures .....			.....	.....	.....	.....
3.	Pharmaceuticals and surgical supplies .....			.....	.....	.....	.....
4.	Durable medical equipment .....			.....	.....	.....	.....
5.	Other property and equipment .....			.....	.....	.....	.....
6.	Total .....			.....	.....	.....	.....

NONE



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION: 2. DIVISION:
NAIC Group Code 0000 BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR NAIC Company Code 95562

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefit Plan	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only		Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	74,999								74,999	
2. First Quarter	78,116								78,116	
3. Second Quarter	78,483								78,483	
4. Third Quarter	71,570								71,570	
5. Current Year	67,926								67,926	
6. Current Year Member Months	748,728								748,728	
Total Member Ambulatory Encounters for Year:										
7. Physician	374,677								374,677	
8. Non-Physician	90,918								90,918	
9. Total	465,595								465,595	
10. Hospital Patient Days Incurred	25,222								25,222	
11. Number of Inpatient Admissions	6,385								6,385	
12. Premiums Collected	132,367,742								132,367,742	
13. Premiums Earned	136,496,247								136,496,247	
14. Amount Paid for Provision of Health Care Services	133,848,722								133,848,722	
15. Amount of Incurred for Provision of Health Care Services	117,613,300								117,613,300	

34 Grand Total



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION: 2. DIVISION:
BUSINESS IN THE STATE OF **MICHIGAN** DURING THE YEAR
NAIC Group Code 0000 NAIC Company Code 95562

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefit Plan	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only		Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	74,999								74,999	
2. First Quarter	78,116								78,116	
3. Second Quarter	78,483								78,483	
4. Third Quarter	71,570								71,570	
5. Current Year	67,926								67,926	
6. Current Year Member Months	748,728								748,728	
Total Member Ambulatory Encounters for Year:										
7. Physician	374,677								374,677	
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13. Premiums Earned	136,496,247								136,496,247	
14. Amount Paid for Provision of Health Care Services	133,848,722								133,848,722	
15. Amount of Incurred for Provision of Health Care Services	117,613,300								117,613,300	

SCHEDULE A - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 10	
2.2	Totals, Part 3, Column 7	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 13	
4.2	Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	
6.	Increase (decrease) by foreign exchange adjustment	
6.1	Totals, Part 1, Column 11	
6.2	Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	
8.	Book/adjusted carrying value at the end of current period	
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, current period)	

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of mortgages owned at end of current period	

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period	

NONE

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1.	U.S. GOVERNMENTS, SCHEDULES D & DA (Group 1)											
1.1	Class 1	1,116,666	1,028,327				2,144,993	45.96	359,835	13.24	2,144,993	
1.2	Class 2											
1.3	Class 3											
1.4	Class 4											
1.5	Class 5											
1.6	Class 6											
1.7	TOTALS	1,116,666	1,028,327				2,144,993	45.96	359,835	13.24	2,144,993	
2.	ALL OTHER GOVERNMENTS, SCHEDULES D & DA (Group 2)											
2.1	Class 1											
2.2	Class 2											
2.3	Class 3											
2.4	Class 4											
2.5	Class 5											
2.6	Class 6											
2.7	TOTALS											
3.	STATES, TERRITORIES AND POSSESSIONS ETC., GUARANTEED, SCHEDULES D & DA (Group 3)											
3.1	Class 1											
3.2	Class 2											
3.3	Class 3											
3.4	Class 4											
3.5	Class 5											
3.6	Class 6											
3.7	TOTALS											
4.	POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 4)											
4.1	Class 1	1,248,000	192,000				1,440,000	30.86	1,056,000	38.85	1,440,000	
4.2	Class 2											
4.3	Class 3											
4.4	Class 4											
4.5	Class 5											
4.6	Class 6											
4.7	TOTALS	1,248,000	192,000				1,440,000	30.86	1,056,000	38.85	1,440,000	
5.	SPECIAL REVENUE & SPECIAL ASSESSMENT OBLIGATIONS ETC., NON-GUARANTEED, SCHEDULES D & DA (Group 5)											
5.1	Class 1		1,081,971				1,081,971	23.18			1,081,971	
5.2	Class 2											
5.3	Class 3											
5.4	Class 4											
5.5	Class 5											
5.6	Class 6											
5.7	TOTALS		1,081,971				1,081,971	23.18			1,081,971	

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6.	PUBLIC UTILITIES (UNAFFILIATED), SCHEDULES D & DA (Group 6)											
6.1	Class 1											
6.2	Class 2											
6.3	Class 3											
6.4	Class 4											
6.5	Class 5											
6.6	Class 6											
6.7	TOTALS											
7.	INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED), SCHEDULES D & DA (Group 7)											
7.1	Class 1								1,302,532	47.92		
7.2	Class 2											
7.3	Class 3											
7.4	Class 4											
7.5	Class 5											
7.6	Class 6											
7.7	TOTALS								1,302,532	47.92		
8.	CREDIT TENANT LOANS, SCHEDULES D & DA (Group 8)											
8.1	Class 1											
8.2	Class 2											
8.3	Class 3											
8.4	Class 4											
8.5	Class 5											
8.6	Class 6											
8.7	TOTALS											
9.	PARENT, SUBSIDIARIES AND AFFILIATES, SCHEDULES D & DA (Group 9)											
9.1	Class 1											
9.2	Class 2											
9.3	Class 3											
9.4	Class 4											
9.5	Class 5											
9.6	Class 6											
9.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. TOTAL BONDS CURRENT YEAR											
10.1 Class 1	2,364,666	2,302,298				4,666,964	100.00	X X X	X X X	4,666,964	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 TOTALS	2,364,666	2,302,298				(b) 4,666,964	100.00	X X X	X X X	4,666,964	
10.8 Line 10.7 as a % of Column 6	50.67	49.33				100.00	X X X	X X X	X X X	100.00	
11. TOTAL BONDS PRIOR YEAR											
11.1 Class 1	768,000	1,950,367				X X X	X X X	2,718,367	100.00	2,718,367	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 TOTALS	768,000	1,950,367				X X X	X X X	(b) 2,718,367	100.00	2,718,367	
11.8 Line 11.7 as a % of Col. 8	28.25	71.75				X X X	X X X	100.00	X X X	100.00	
12. TOTAL PUBLICLY TRADED BONDS											
12.1 Class 1	2,364,666	2,302,298				4,666,964	100.00	2,718,367	100.00	4,666,964	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 TOTALS	2,364,666	2,302,298				4,666,964	100.00	2,718,367	100.00	4,666,964	X X X
12.8 Line 12.7 as a % of Col. 6	50.67	49.33				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 ..	50.67	49.33				100.00	X X X	X X X	X X X	100.00	X X X
13. TOTAL PRIVATELY PLACED BONDS											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10 ..							X X X	X X X	X X X	X X X	

(a) Includes \$..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b)Includes \$..... current year, \$..... prior year of bonds with Z designations and \$..... current year, \$..... prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes \$..... current year, \$..... prior year of bonds with 5* designations and \$..... current year, \$..... prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. GOVERNMENTS, SCHEDULES D & DA (Group 1)											
1.1	Issuer Obligations		2,144,993				2,144,993	45.96	359,835	13.24	2,144,993	
1.2	Single Class Mortgage-Backed/Asset-Backed Bonds											
1.7	TOTALS		2,144,993				2,144,993	45.96	359,835	13.24	2,144,993	
2.	ALL OTHER GOVERNMENTS, SCHEDULES D & DA (Group 2)											
2.1	Issuer Obligations											
2.2	Single Class Mortgage-Backed/Asset-Backed Bonds											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3	Defined											
2.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5	Defined											
2.6	Other											
2.7	TOTALS											
3.	STATES, TERRITORIES AND POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 3)											
3.1	Issuer Obligations											
3.2	Single Class Mortgage-Backed/Asset-Backed Bonds											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3	Defined											
3.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5	Defined											
3.6	Other											
3.7	TOTALS											
4.	POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 4)											
4.1	Issuer Obligations	1,248,000	192,000				1,440,000	30.86	1,056,000	38.85	1,440,000	
4.2	Single Class Mortgage-Backed/Asset-Backed Bonds											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3	Defined											
4.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5	Defined											
4.6	Other											
4.7	TOTALS	1,248,000	192,000				1,440,000	30.86	1,056,000	38.85	1,440,000	
5.	SPECIAL REVENUE & SPECIAL ASSESSMENT OBLIGATIONS ETC., NON-GUAR., SCH. D & DA (Group 5)											
5.1	Issuer Obligations											
5.2	Single Class Mortgage-Backed/Asset-Backed Bonds											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3	Defined											
5.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5	Defined											
5.6	Other											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. PUBLIC UTILITIES (UNAFFILIATED), SCHEDULES D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED), SCHEDULES D & DA (Group 7)											
7.1 Issuer Obligations	332,540	749,431				1,081,971	23.18	1,302,532	47.92	1,081,971	
7.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 TOTALS	332,540	749,431				1,081,971	23.18	1,302,532	47.92	1,081,971	
8. CREDIT TENANT LOANS, SCHEDULES D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. PARENT, SUBSIDIARIES AND AFFILIATES, SCHEDULES D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
10. TOTAL BONDS CURRENT YEAR											
10.1 Issuer Obligations	1,580,540	3,086,424				4,666,964	100.00	X X X	X X X	4,666,964	
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS	1,580,540	3,086,424				4,666,964	100.00	X X X	X X X	4,666,964	
10.8 Line 10.7 as a % of Column 6	33.87	66.13				100.00	X X X	X X X	X X X	100.00	
11. TOTAL BONDS PRIOR YEAR											
11.1 Issuer Obligations	768,000	1,950,367				X X X	X X X	2,718,367	100.00	2,718,367	
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds						X X X	X X X				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 TOTALS	768,000	1,950,367				X X X	X X X	2,718,367	100.00	2,718,367	
11.8 Line 11.7 as a % of Column 8	28.25	71.75				X X X	X X X	100.00	X X X	100.00	
12. TOTAL PUBLICLY TRADED BONDS											
12.1 Issuer Obligations	1,580,540	3,086,424				4,666,964	100.00	2,718,367	100.00	4,666,964	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS	1,580,540	3,086,424				4,666,964	100.00	2,718,367	100.00	4,666,964	X X X
12.8 Line 12.7 as a % of Column 6	33.87	66.13				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	33.87	66.13				100.00	X X X	X X X	X X X	100.00	X X X
13. TOTAL PRIVATELY PLACED BONDS											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Column 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							X X X	X X X	X X X	X X X	

SCHEDULE DA - PART 2
Verification of SHORT-TERM INVESTMENTS Between Years

		1	2	3	4	5
		Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1.	Book/adjusted carrying value, prior year	768,000	768,000			
2.	Cost of short-term investments acquired	1,248,000	1,248,000			
3.	Increase (decrease) by adjustment					
4.	Increase (decrease) by foreign exchange adjustment					
5.	Total profit (loss) on disposal of short-term investments					
6.	Consideration received on disposal of short-term investments	768,000	768,000			
7.	Book/adjusted carrying value, current year	1,248,000	1,248,000			
8.	Total valuation allowance					
9.	Subtotal (Lines 7 plus 8)	1,248,000	1,248,000			
10.	Total nonadmitted amounts					
11.	Statement value (Lines 9 minus 10)	1,248,000	1,248,000			
12.	Income collected during year	18,226	18,226			
13.	Income earned during year	10,113	10,113			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

44 Schedule DB Part A Verification - NONE

44 Schedule DB Part B Verification - NONE

45 Schedule DB Part C Verification - NONE

45 Schedule DB Part D Verification - NONE

45 Schedule DB Part E Verification - NONE

46 Schedule DB Part F Sn 1 - Sum Replicated Assets - NONE

47 Schedule DB Part F Sn 2 - Recon Replicated Assets - NONE

48 Schedule S - Part 1 - Section 2 - NONE

49 Schedule S - Part 2 - NONE

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Non-Affiliates												
69078	13-5679267 ...	01/01/2002	Standard Security Life Insurance Co of New York	New York	SS/L .....	..... 339,319	.....	.....	.....	.....	.....	.....
0299999 Total - Non-Affiliates .....						..... 339,319	.....	.....	.....	.....	.....	.....
0399999 Totals .....						..... 339,319	.....	.....	.....	.....	.....	.....

SCHEDULE S - PART 4
Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
				N O N E									
1199999 Totals (General Account and Separate Accounts combined) .....				.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2002	2 2001	3 2000	4 1999	5 1998
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare					
3. Title XIX - Medicaid	339	348	312	366	280
4. Commissions and reinsurance expense allowance					
5. Total medical and hospital expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses		156	313	270	
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE					
(DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 9)	16,270,126		16,270,126
2. Amounts recoverable from reinsurers (Line 12)			
3. Accident and health premiums due and unpaid (Line 10)	525,102		525,102
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	1,874,893		1,874,893
6. Total assets (Line 23)	18,670,121		18,670,121
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	20,231,922		20,231,922
8. Accrued medical incentive pool and bonus payments (Line 2)	(4,045,187)		(4,045,187)
9. Premiums received in advance (Line 6)			
10. Reinsurance in unauthorized companies (Line 14)			
11. All other liabilities (Balance)	1,260,583		1,260,583
12. Total liabilities (Line 18)	17,447,318		17,447,318
13. Total capital and surplus (Line 26)	1,223,757	X X X	1,223,757
14. Total liabilities, capital and surplus (Line 27)	18,671,075		18,671,075
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid			
16. Accrued medical incentive pool			
17. Premiums received in advance			
18. Reinsurance recoverable on paid losses			
19. Other ceded reinsurance recoverables			
20. Total ceded reinsurance recoverables			
21. Premiums receivable			
22. Unauthorized reinsurance			
23. Other ceded reinsurance payables/offsets			
24. Total ceded reinsurance payables/offsets			
25. Total net credit for ceded reinsurance			

SCHEDULE Y (continued)

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES

INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
MARCH FILING	
1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	Yes
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes
3. Will an actuarial certification be filed by March 1?	See Explanation
4. Will the Risk-based Capital Report be filed with the NAIC by March 1?	Yes
5. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes
6. Will the SVO Compliance Certification be filed by March 1?	Yes
APRIL FILING	
7. Will Management's Discussion and Analysis be filed by April 1?	Yes
8. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?	No
9. Will the Investment Risks Interrogatories be filed by April 1?	Yes
JUNE FILING	
10. Will an audited financial report be filed by June 1 with the state of domicile?	Yes

Explanations:

Will be filed with final audited financial statement.

Bar Codes:

LTC Experience Reporting Form C



STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
0604.	Miscellaneous .....	..... X X X .....	.....	.....
0697.	Summary of remaining write-ins for Line 6 (Lines 0604 through 0696) .....	..... X X X .....	.....	.....
1304.	Risk Settlement .....	..... (197,515)	..... (197,515)	..... 419,937
1397.	Summary of remaining write-ins for Line 13 (Lines 1304 through 1396) .....	..... (197,515)	..... (197,515)	..... 419,937

OVERFLOW PAGE FOR WRITE-INS

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other
0597.	Summary of remaining write-ins for Line 5 (Lines 0504 through 0596)													
1204.	Risk Settlement	(197,515)								(197,515)				
1297.	Summary of remaining write-ins for Line 12 (Lines 1204 through 1296)	(197,515)								(197,515)				

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
FOR THE STATE OF MICHIGAN



NAIC Group Code: 0000
Address (City, State and Zip Code): Okemos, MI 48864
Person Completing This Exhibit:

NAIC Company Code: 95562

Title: Telephone:

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 1999				Policies Issued in 2000, 2001, 2002			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
0299999 Total Experience on Group Policies

NONE

GENERAL INTERROGATORIES

- 1. If response in Column 1 is no, give full and complete details:
- 2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - 2.1 Address:
 - 2.2 Contact Person and Phone Number:
- 3. Billing address and contact person for user fees established under 42 U.S.C. 1395u(h)(3)(B)
 - 3.1 Address:
 - 3.2 Contact Person and Phone Number:
- 4. Explain any policies identified above as policy type "O":

MS Michigan

**INDEX TO HEALTH
ANNUAL STATEMENT**